

State of South Dakota

SEVENTY-EIGHTH SESSION
LEGISLATIVE ASSEMBLY, 2003

553I0301

SENATE JUDICIARY COMMITTEE ENGROSSED NO.

SB 103 - 02/07/2003

This bill has been extensively amended (hoghoused) and may no longer be consistent with the original intention of the sponsor.

Introduced by: Senators Olson (Ed), Abdallah, Bogue, McCracken, and Sutton (Dan) and
Representatives Olson (Mel), Lange, and Sebert

1 FOR AN ACT ENTITLED, An Act to prohibit suppliers from seeking recourse against a
2 homeowner if the homeowner has paid the contractor.

3 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF SOUTH DAKOTA:

4 Section 1. No unit of local government may issue a building permit unless it has received as
5 part of the building permit application process a certificate signed by the owner of the property
6 to which the building permit relates. This certificate shall state that the property owner
7 understands that:

8 (1) The failure of a prime contractor or subcontractor to pay those persons supplying
9 materials or services to complete the improvement for which the building permit is
10 sought can result in the filing of a lien;

11 (2) To avoid this result, when paying for labor and materials, the property owner may ask
12 the prime contractor or subcontractor for lien waivers from all persons supplying
13 materials or services for the work described in the permit; and

14 (3) Failure to secure lien waivers may result in the property's owner paying for labor and



1 materials twice.